CollegeCounts℠
Alabama's 529 Fund

Auditor's Report and Financial Statements

September 30, 2017

Offered by the
State of Alabama

UBT 529 Fund Services a Division of

UBT
Union Bank & Trust

Program Manager

CollegeCounts 529 Fund
September 30, 2017

Contents

BKD LLP
CPAs & Advisors

1248 "O" Street, Suite 1040 // Lincoln, NE 68508-1461
402.473.7600 // fax 402.473.7698 // bkd.com

Independent Auditor's Report

Members of the Board of Trustees of CollegeCounts 529 Fund
UBT 529 Fund Services, a Division of Union Bank & Trust Company (Program Manager)
Montgomery, Alabama

Report on the Financial Statements

We have audited the accompanying financial statements of the CollegeCounts 529 Fund, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the CollegeCounts 529 Fund's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the CollegeCounts 529 Fund as of September 30, 2017, and the changes in its fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the CollegeCounts 529 Fund's basic financial statements. The supplementary schedules listed in the table of contents, are presented for purposes of additional analysis, and are not a required part of the basic financial statements. The supplementary schedule information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedule information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2018, on our consideration of the CollegeCounts 529 Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CollegeCounts 529 Fund's internal control over financial reporting and compliance.

BKD, LLP

Lincoln, Nebraska
February 6, 2018

CollegeCounts 529 Fund Direct Plan
Management's Discussion and Analysis

The following is a discussion and analysis of the financial performance of the State of Alabama's CollegeCounts 529 Fund Direct Plan (the "Plan") as of September 30, 2017, and for the year then ended. CollegeCounts 529 Fund assets are held in the Alabama College Education Savings ("ACES") Trust Fund. Union Bank & Trust Company ("Union Bank") manages the CollegeCounts 529 Fund under a Program Management Agreement with the Board of Trustees of the ACES Trust Fund. The CollegeCounts 529 Fund is intended to be a qualified state tuition program under Section 529 of the Internal Revenue Code. The CollegeCounts 529 Fund was created pursuant to an Alabama statute to encourage the investment of funds to be used for qualified higher education expenses at eligible educational institutions. You should consider the information presented in this section in conjunction with the Plan's financial statements and the Notes to the Financial Statements.

CollegeCounts 529 Fund Direct Plan

The Plan is one of two 529 college savings plans offered by the CollegeCounts 529 Board to help families save for college. The CollegeCounts 529 Direct Plan contains accounts that are opened directly with the Plan. The Direct Plan had $405.7 million in net position as of September 30, 2017. The CollegeCounts 529 Board oversees the Direct Plan. Union Bank & Trust Company serves as Program Manager.

The Direct Plan offers investors 3 Age-Based Options, 6 Target Portfolios, and 26 Individual Fund Portfolios that are invested in underlying mutual funds from DFA, Dodge & Cox, Vanguard, T. Rowe Price, MainStay, Fidelity and PIMCO.

Financial Highlights

The following financial highlights occurred during the years ended September 30, 2017 and 2016:

- The Plan had contributions of $70.8 million and withdrawals of $29.1 million during 2017 and contributions of $60.3 million and withdrawals of $21.9 million during 2016, an increase of 17.3% in contributions and 32.8% in withdrawals during 2017;
- At September 30, 2017, the Plan's net position totaled $405.7 million, an increase of $78.8 million, or 24.1% since September 30, 2016;
- The Plan earned $8.2 million and $6.6 million from investment income and recognized $29.8 million and $22.9 million from net realized gain and net appreciation in fair value of investments during 2017 and 2016, respectively. The Plan incurred $0.9 million and $0.7 million, respectively, for operating expenses during 2017 and 2016.

Overview of the Financial Statements

The Plan's financial statements are prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

This report consists of two parts: management's discussion and analysis (this section) and the basic financial statements. The basic financial statements consist of a Statement of Fiduciary Net Position, a Statement of Changes in Fiduciary Net Position and Notes to the Financial Statements that explain some of the information in the financial statements and provide more detailed information.

The Statement of Fiduciary Net Position presents information on the Plan's assets and liabilities, with the difference between the two reported as net position as of September 30, 2017. This statement is prepared using the accrual basis of accounting. Contributions and withdrawals are recognized on trade date; expenses and liabilities are recognized when services are provided, regardless of when cash is received or paid.

The Statement of Changes in Fiduciary Net Position presents information showing how the Plan's net position changed during the year ended September 30, 2017, another important factor that needs to be considered in order to determine the financial health of the CollegeCounts 529 Fund. This statement presents information showing how the plan's net position changed during the year ended September 30, 2017, based on activities from securities transactions and market activity. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of when cash is received or paid.

The Notes to the Financial Statements provide additional information that is integral to a full understanding of the data provided in the basic financial statements. As a fiduciary fund, the CollegeCounts 529 Fund Trust assets do not represent discretionary assets of the State of Alabama to finance its operations. CollegeCounts 529 Fund Trust assets can only be used for the benefit of account owners and beneficiaries of the Plan.

Financial Analysis

Net Position

The following is a condensed Statement of Fiduciary Net Position for the Program as of September 30:

	2017	2016
Total Assets	$ 406,940,033	$ 327,288,019
Less Total Liabilities	1,223,877	339,609
Net Position Held In Trust	$ 405,716,156	$ 326,948,410

Investments make up more than 99% of total net position, and consist of 37 Investment Portfolios in 2017 and 2016, each of which is invested in one or more underlying mutual funds. Net position represents cumulative contributions from participants plus net increases/decreases from operations less redemptions and expenses. Liabilities consist of payables for securities purchased, payables for withdrawals, payables for reinvestment of net investment income and payables for accrued expenses.

Total assets increased by $79.7 million, or 24.3%, from September 30, 2016 to September 30, 2017 due primarily to net contributions (participant contributions less redemptions and withdrawals) of $41.6 million. The Plan had an increase from operations (investment income and net realized gain and appreciation in fair value of investments) of $38.1 million and expenses of $0.9 million. Total liabilities increased $0.9 million due primarily to the timing of withdrawals requested by participants and amounts payables for securities purchased, which is a reflection of investment decisions made by participants and the corresponding action taken by the program manager to process required transactions.

Changes in Fiduciary Net Position

The following is a condensed Statement of Changes in Fiduciary Net Position for the year ended September 30:

	2017	2016
Total Additions	$ 78,987,391	$ 66,874,110
Total Deductions	30,055,956	22,670,014
Net Realized Gain and Net Appreciation in Fair Value of Investments	29,836,311	22,867,814
Net Increase	78,767,746	67,071,910
Net Position Held in Trust, Beginning of Year	326,948,410	259,876,500
Net Position Held in Trust, End of Year	$ 405,716,156	$ 326,948,410

Total additions increased $12.1 million or 18.1%, due to an increase in contributions from participants of $10.4 million and an increase in investment income of $1.7 million. Total deductions increased $7.4 million or 32.6%, due to an increase in withdrawals and redemptions of $7.2 million and an increase in fees of $0.2 million. Net realized gains and appreciation in fair value of investments was $29.8 million and $22.9 million for the years ended September 30, 2017 and 2016, respectively. Increases and decreases in net realized and unrealized gains and losses on investment transactions, as well as changes in investment income, reflect market conditions during each corresponding year. Fees are charged to participants as a percentage of daily net position and therefore, fluctuate based on changes in fiduciary net position.

CollegeCounts 529 Fund

Statement of Fiduciary Net Position

September 30, 2017

Fiduciary Assets	
Investments, at fair value	$ 405,595,092
Cash	419,927
Receivables for contributions	698,496
Accrued investment income	226,518
Total fiduciary assets	406,940,033
Liabilities	
Distributions payable to shareholders	1,659
Withdrawals payable	776,779
Accrued expenses	445,439
Total liabilities	1,223,877
Fiduciary Net Position Held In Trust	$ 405,716,156

CollegeCounts 529 Fund

Statement of Changes in Fiduciary Net Position

For the Year Ended September 30, 2017

Additions	
Contributions	$ 70,757,496
Investment income	
Dividends and interest	8,229,895
Total additions	78,987,391
Deductions	
Withdrawals	29,143,364
Management fees	912,592
Total deductions	30,055,956
Net Realized Gain and Net Appreciation in Fair Value of Investments	29,836,311
Net Increase	78,767,746
Fiduciary Net Position Held in Trust, Beginning of Year	326,948,410
Fiduciary Net Position Held in Trust, End of Year	$ 405,716,156

CollegeCounts 529 Fund

Notes to the Financial Statements

September 30, 2017

Note 1: Description of the Plan

The following provides a brief description of the CollegeCounts 529 Fund (the "Plan"). For more information about the Plan, call 866.529.2228 or visit CollegeCounts529.com to obtain a Disclosure Statement.

General

The Plan is one of two college savings plans offered by the Alabama College Education Savings (ACES) Program (the Program) to help individuals and families save for higher education costs. This Plan and the CollegeCounts 529 Fund Advisor Plan, which were established as authorized under the Wallace Folsom Savings Investment Plan Act, 16-33C-1 to 16-33C-25 of the Code of Alabama 1975, as amended from time to time, are designed to comply with the requirements for treatment as a qualified tuition program under Section 529 of the Internal Revenue Code of 1986, as amended, and any regulations and other guidance issued thereunder (Section 529). The Board of Trustees of the ACES Trust Fund (the Board) administers the Program and has oversight responsibility for establishing rules and regulations governing operation of the plans, overseeing the administration of the plans and ensuring that the plans comply with state and federal laws and regulations. The Board acts as trustee of the Plan and is responsible for the overall administration of the Program. The Board has delegated day-to-day administration of the Program to the Alabama State Treasurer.

Plan assets are held for the benefit of account owners and their designated beneficiaries in the CollegeCounts 529 Fund, thereby ensuring the assets of the Plan can only be used for the benefit of account owners and their beneficiaries and cannot be used by the State of Alabama to finance its operations.

These financial statements present only the activities and balances attributable to the CollegeCounts 529 Fund and do not include any balances or activities attributable to the CollegeCounts 529 Fund Advisor Plan. See the attached supplementary information which includes Combining Schedules for the two college savings plans and the transfers of contributions and withdrawals between plans. The audited financial statements of the CollegeCounts 529 Fund Advisor Plan are available separately.

Plan Administration

UBT 529 Fund Services (Union Bank), a division of Union Bank & Trust Company (the Program Manager), serves as the agent responsible for the custody of the Plan's assets. The Program Manager has engaged Wilshire Associates, Inc. (Wilshire) to advise with respect to the structures, underlying investments, and asset allocations of the Plan.

Note 2: Significant Accounting Policies

Basis of Accounting

The Plan prepares its financial statements in conformity with applicable pronouncements of the Governmental Accounting Standards Board (GASB). The Plan's financial statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America applicable to special-purpose governments engaged in fiduciary activities. Under this method of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Investments

The Plan's investment alternatives are made available through investment portfolios (the Portfolios), each of which represents a separate, segregated portfolio of investments in mutual funds (the Underlying Funds). The Program Manager and Wilshire develop and recommend the asset allocations for each Portfolio to the Board of Trustees for approval.

Investments in the Underlying Funds are valued at the closing net position value per share of each Underlying Fund determined as of the close of the New York Stock Exchange on the day of valuation, which approximates fair value. Net realized and unrealized gains and losses are reported as net appreciation or depreciation in fair value of investments in the Statement of Changes in Fiduciary Net Position. Purchases and sales of Underlying Fund shares are recorded on a trade date basis. Dividend income and any capital gain distributions are recorded on the ex-dividend date as an accrual and are automatically reinvested in additional shares of the respective Underlying Fund.

Cash

Cash generally includes account owner contributions that have not been invested in Underlying Funds or redemption proceeds from Underlying Funds that have not yet been distributed in accordance with account owner instruction. These transactions are processed through the Program Manager.

Distributions Payable to Shareholders

Distributions payable to shareholders represent income distributions from money market investment funds that have not yet been distributed in accordance with each account owner's instruction.

Note 2: Significant Accounting Policies - Continued

Contributions

Individuals or entities that have properly executed an enrollment form with the Plan may establish an account to which cash contributions may be made, subject to certain account balance limitations. Contributions received prior to the close of the New York Stock Exchange are recorded as increases in net position on the date they are received, provided that all related documentation is found to be in good order.

Account owners may elect to invest their contributions in one or more of several different investment options, which are Individual Fund Portfolios, Age-Based Portfolios or Target Portfolios based upon the account owner's investing preference and risk tolerance. The investment options are composed of one money-market fund and mutual funds offered by PIMCO, Vanguard, T. Rowe Price, DFA, Dodge & Cox, MainStay and Fidelity ("Investment Managers").

The Individual Fund Portfolios consist of 26 single mutual funds. The six Target Portfolios are allocated among equity, real estate, fixed income, and money market securities. These allocations are maintained over the life of the account.

The account owner may also choose from three Age-Based options (Conservative, Moderate, and Aggressive). These have been designed by the Program, the Program Manager, and Wilshire to allow account owners to select a Portfolio based upon their risk tolerance and the beneficiary's age. Money invested in these investment options is allocated to the appropriate Portfolio based on the age of the beneficiary and is automatically adjusted at pre-set intervals over time to become more conservative as the beneficiary's year of enrollment in college draws nearer.

Contributions by a participant are evidenced through the issuance of units in a particular Portfolio. Although money contributed to the Plan is invested in portfolio options that hold mutual funds, the Plan units themselves are not direct investments in the mutual funds. The units issued by the Plan are not insured by the FDIC, the Program Manager, or the State of Alabama nor have they been registered with the Securities and Exchange Commission or any state commission. Although the account owners can direct the portfolio options in which their contributions are invested, they cannot direct the selection or allocation of the Underlying Funds comprising each portfolio option.

Withdrawals

Account owners may request withdrawals for qualified or nonqualified expenses. It is the responsibility of the account owner to determine whether the withdrawal is for qualified or nonqualified purposes and to calculate the applicable amount of federal or state tax or penalties for withdrawals, if any. Withdrawals are recorded as deductions from net position on the date the withdrawal request is in good order and approved for payment. Withdrawals, as presented on the Statement of Changes in Fiduciary Net Position, include annual account fees as more fully discussed in Note 4.

Note 2: Significant Accounting Policies - Continued

Unit Valuation

Each account owner's full and/or fractional interest in a portfolio option is evidenced by a unit. The net position value of a unit in a portfolio option is calculated daily based on the fair market value of the Underlying Funds, adjusted for the effects of such transactions as accrued administrative fees, contributions and withdrawal requests that have been approved but have not yet been processed, and investment income that has not been reinvested in the Underlying Funds. The value of any individual account is determined by multiplying the number of units in a portfolio attributable to that account holder by the net position value per unit of that portfolio.

Exchanges

As explained above, for each of the Age-Based Options, account balances will automatically be exchanged from one portfolio to another more conservative portfolio as the beneficiary gets older. In addition, subject to certain limitations and restrictions, account owners may generally direct that their account balance be reinvested in a different portfolio option two times each calendar year. The transfers of funds between portfolios are referred to as "exchanges". The amounts of contributions and withdrawals reported in the Statement of Changes in Fiduciary Net Position do not include these exchanges, as they have no impact on the overall financial position of the Plan.

Income Taxes

The Plan has been designed to comply with the requirements for treatment as a qualified tuition program under Section 529 of the Internal Revenue Code, and is exempt from federal and state income tax. Therefore, no provision for income tax is required.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

CollegeCounts 529 Fund

Notes to the Financial Statements

September 30, 2017

Note 3: Investments

The Underlying Fund allocations at September 30, 2017, are as follows:

Portfolio	Investment	Balance
DFA U.S. Large Cap Value 529 Portfolio	DFA U.S. Large Cap Value Portfolio	$ 873,200
DFA U.S. Small Cap Value 529 Portfolio	DFA U.S. Small Cap Value Portfolio	855,500
Dodge & Cox International Stock 529 Portfolio	Dodge & Cox International Stock Fund	1,594,890
Fidelity Advisor Investment Grade Bond 529 Portfolio	Fidelity Advisor Investment Grade Bond Fund	212,986
MainStay Total Return Bond 529 Portfolio	MainStay Total Return Bond Fund	154,499
PIMCO Short-Term 529 Portfolio	PIMCO Short-Term Fund	1,404,135
T. Rowe Price Balanced 529 Portfolio	T. Rowe Price Balanced Fund	4,576,567
T. Rowe Price Large-Cap Growth 529 Portfolio	T. Rowe Price Institutional Large-Cap Growth Fund	2,938,916
Vanguard 500 Index 529 Portfolio	Vanguard Institutional Index Fund	18,060,503
Vanguard Explorer 529 Portfolio	Vanguard Explorer Fund	489,492
Vanguard Extended Market Index 529 Portfolio	Vanguard Extended Market Index Fund	1,422,013
Vanguard Growth Index 529 Portfolio	Vanguard Growth Index Fund	7,605,170
Vanguard Inflation-Protected Securities 529 Portfolio	Vanguard Inflation-Protected Securities Fund	1,213,057
Vanguard Intermediate-Term Bond Index 529 Portfolio	Vanguard Intermediate-Term Bond Index Fund	1,335,117
Vanguard Mid-Cap Index 529 Portfolio	Vanguard Mid-Cap Index Fund	6,956,853
Vanguard Prime Money Market 529 Portfolio	Vanguard Prime Money Market Fund	8,276,485
Vanguard REIT Index 529 Portfolio	Vanguard REIT Index Fund	3,523,266
Vanguard Small-Cap Growth Index 529 Portfolio	Vanguard Small-Cap Growth Index Fund	4,038,697
Vanguard Small-Cap Index 529 Portfolio	Vanguard Small-Cap Index Fund	2,617,278
Vanguard Small-Cap Value Index 529 Portfolio	Vanguard Small-Cap Value Index Fund	3,337,445
Vanguard Total Bond Market Index 529 Portfolio	Vanguard Total Bond Market Index Fund	8,307,089
Vanguard Total International Stock Index 529 Portfolio	Vanguard Total International Stock Index Fund	8,333,686
Vanguard Total Stock Market Index 529 Portfolio	Vanguard Total Stock Market Index Fund	11,001,106
Vanguard Value Index 529 Portfolio	Vanguard Value Index Fund	4,250,291
Vanguard Short-Term Inflation-Protected 529 Portfolio	Vanguard Short-Term Inflation-Protected Securities Index Fund	305,552
Vanguard Short-Term Bond Index 529 Portfolio	Vanguard Short-Term Bond Index Fund	1,555,020
CollegeCounts Fixed Income Fund	Vanguard Short-Term Inflation-Protected Securities Index Fund	636,568
CollegeCounts Fixed Income Fund	Vanguard Short-Term Bond Index Fund	849,627
CollegeCounts Fixed Income Fund	Vanguard Total Bond Market Index Fund	635,177
CollegeCounts Fixed Income Fund	Vanguard Prime Money Market Fund	2,122,232
Total CollegeCounts Fixed Income Fund		4,243,604
CollegeCounts Fund 10	Vanguard Total Stock Market Index Fund	948,838
CollegeCounts Fund 10	Vanguard Short-Term Inflation-Protected Securities Index Fund	1,881,581
CollegeCounts Fund 10	Vanguard Short-Term Bond Index Fund	2,958,724
CollegeCounts Fund 10	Vanguard Total Bond Market Index Fund	4,157,694
CollegeCounts Fund 10	Vanguard Total International Stock Index Fund	271,356
CollegeCounts Fund 10	Vanguard Prime Money Market Fund	3,089,579
CollegeCounts Fund 10	Vanguard REIT Index Fund	134,700
Total CollegeCounts Fund 10		13,442,472

Note 3: Investments - Continued

Portfolio	Investment	Balance
CollegeCounts Fund 20	Vanguard Total Stock Market Index Fund	$ 3,142,549
CollegeCounts Fund 20	Vanguard Short-Term Inflation-Protected Securities Index Fund	2,641,232
CollegeCounts Fund 20	Vanguard Short-Term Bond Index Fund	6,010,314
CollegeCounts Fund 20	Vanguard Total Bond Market Index Fund	8,406,717
CollegeCounts Fund 20	Vanguard Total International Stock Index Fund	969,154
CollegeCounts Fund 20	Vanguard Prime Money Market Fund	2,169,635
CollegeCounts Fund 20	Vanguard REIT Index Fund	726,989
Total CollegeCounts Fund 20		24,066,590
CollegeCounts Fund 30	Vanguard Total Stock Market Index Fund	5,297,000
CollegeCounts Fund 30	Vanguard Short-Term Inflation-Protected Securities Index Fund	3,601,556
CollegeCounts Fund 30	Vanguard Short-Term Bond Index Fund	6,102,107
CollegeCounts Fund 30	Vanguard Total Bond Market Index Fund	9,698,736
CollegeCounts Fund 30	Vanguard Total International Stock Index Fund	2,236,848
CollegeCounts Fund 30	Vanguard REIT Index Fund	837,567
Total CollegeCounts Fund 30		27,773,814
CollegeCounts Fund 40	Vanguard Total Stock Market Index Fund	8,304,102
CollegeCounts Fund 40	Vanguard Short-Term Inflation-Protected Securities Index Fund	2,959,826
CollegeCounts Fund 40	Vanguard Short-Term Bond Index Fund	4,611,908
CollegeCounts Fund 40	Vanguard Total Bond Market Index Fund	12,183,709
CollegeCounts Fund 40	Vanguard Total International Stock Index Fund	3,984,020
CollegeCounts Fund 40	Vanguard REIT Index Fund	993,336
Total CollegeCounts Fund 40		33,036,901
CollegeCounts Fund 50	Vanguard Total Stock Market Index Fund	10,525,514
CollegeCounts Fund 50	Vanguard Short-Term Inflation-Protected Securities Index Fund	1,307,770
CollegeCounts Fund 50	Vanguard Short-Term Bond Index Fund	3,600,004
CollegeCounts Fund 50	Vanguard Total Bond Market Index Fund	11,443,059
CollegeCounts Fund 50	Vanguard Total International Stock Index Fund	4,948,141
CollegeCounts Fund 50	Vanguard REIT Index Fund	987,819
Total CollegeCounts Fund 50		32,812,307
CollegeCounts Fund 60	Vanguard Total Stock Market Index Fund	12,447,249
CollegeCounts Fund 60	Vanguard Short-Term Inflation-Protected Securities Index Fund	1,370,673
CollegeCounts Fund 60	Vanguard Short-Term Bond Index Fund	3,081,671
CollegeCounts Fund 60	Vanguard Total Bond Market Index Fund	9,212,663
CollegeCounts Fund 60	Vanguard Total International Stock Index Fund	6,538,919
CollegeCounts Fund 60	Vanguard REIT Index Fund	1,714,234
Total CollegeCounts Fund 60		34,365,409

Note 3: Investments - Continued

Portfolio	Investment	Balance
CollegeCounts Fund 70	Vanguard Total Stock Market Index Fund	$ 13,037,934
CollegeCounts Fund 70	Vanguard Short-Term Inflation-Protected Securities Index Fund	1,287,565
CollegeCounts Fund 70	Vanguard Short-Term Bond Index Fund	1,932,965
CollegeCounts Fund 70	Vanguard Total Bond Market Index Fund	6,423,440
CollegeCounts Fund 70	Vanguard Total International Stock Index Fund	7,456,264
CollegeCounts Fund 70	Vanguard REIT Index Fund	2,259,735
Total CollegeCounts Fund 70		32,397,903
CollegeCounts Fund 80	Vanguard Total Stock Market Index Fund	22,741,579
CollegeCounts Fund 80	Vanguard Short-Term Inflation-Protected Securities Index Fund	1,379,349
CollegeCounts Fund 80	Vanguard Short-Term Bond Index Fund	1,839,196
CollegeCounts Fund 80	Vanguard Total Bond Market Index Fund	5,946,546
CollegeCounts Fund 80	Vanguard Total International Stock Index Fund	12,036,562
CollegeCounts Fund 80	Vanguard REIT Index Fund	2,301,706
Total CollegeCounts Fund 80		46,244,938
CollegeCounts Fund 90	Vanguard Total Stock Market Index Fund	11,488,447
CollegeCounts Fund 90	Vanguard Short-Term Inflation-Protected Securities Index Fund	422,010
CollegeCounts Fund 90	Vanguard Short-Term Bond Index Fund	422,286
CollegeCounts Fund 90	Vanguard Total Bond Market Index Fund	1,259,982
CollegeCounts Fund 90	Vanguard Total International Stock Index Fund	6,372,336
CollegeCounts Fund 90	Vanguard REIT Index Fund	1,265,239
Total CollegeCounts Fund 90		21,230,300
CollegeCounts Fund 100	Vanguard Total Stock Market Index Fund	17,266,438
CollegeCounts Fund 100	Vanguard Total International Stock Index Fund	11,027,686
CollegeCounts Fund 100	Vanguard REIT Index Fund	2,447,917
Total CollegeCounts Fund 100		30,742,041
		$ 405,595,092

The following table reconciles the fair value of investments to the net position held in trust at September 30, 2017:

Fair value of investments, end of year	$ 405,595,092
Plus cash, receivables and accrued investment income	1,344,941
Less payables and accrued expenses	(1,223,877)
Net position held in trust, end of year	$ 405,716,156

Note 3: Investments - Continued

The following table calculates the net realized gain and net appreciation in the value of investments for the year ended September 30, 2017:

Fair value of investments, end of year	$ 405,595,092
Less cost of investments purchased and investment income reinvested during the year	(77,642,450)
Plus proceeds from investments sold during the year and management fees	28,832,079
Less net position held in trust, beginning of year	(326,948,410)
Net realized gain and net appreciation in fair value of investments	$ 29,836,311

The mutual and money market funds in which the Plan invests are comprised of various investment securities, which include corporate debt and equity securities, obligations of the United States government and government agencies, and international equity securities. These securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with these investment securities, it is at least reasonably possible that changes in their fair values may occur in the near term and that such changes could materially affect account owner balances and the amounts reported in the Plan's financial statements.

GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements*, as amended by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires that certain disclosures be made related to the Plan's exposure to credit risk, interest rate risk and foreign currency risk, which are included in the paragraphs that follow.

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Plan's investment policy does not specifically address credit risk, as permitted investments are generally mutual funds. At September 30, 2017, approximately 2% of the investments in the plan have an AAA risk rating, 90% have a Baa>AA risk rating and approximately 4% have a B>Ba. Approximately 4% of the investments in the plan are not rated.

Note 3: Investments - Continued

Interest Rate Risk – Although the investment funds listed below are invested primarily in short and intermediate-term bonds, these Underlying Funds are exposed to interest rate risk, which is the risk that changes in interest rates will adversely affect their fair values. As of September 30, 2017, the average duration and effective maturity of holdings in each of these mutual funds was as follows:

	Average Duration	Average Maturity
PIMCO Short-Term	0.6 years	1.3 years
Vanguard Intermediate-Term Bond Index	6.5 years	7.2 years
Vanguard Total Bond Market Index	6.0 years	8.3 years
Vanguard Prime MoneyMarket	n/a	0.1 years
Vanguard Inflation-Protected Securities	7.9 years	8.5 years
Vanguard Short-Term Bond Index	2.8 years	2.9 years
Vanguard Short-Term Inflation-Protected	2.7 years	2.7 years
Fidelity Advisor Investment Grade Bond	5.9 years	8.3 years
MainStay Total Return Bond	5.8 years	8.4 years
T.Rowe Price Balanced	5.7 years	7.9 years

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Since the Underlying Funds represent shares of mutual funds rather than individual securities, they are not subject to classification by custodial credit risk.

Concentration of Credit Risk – The Plan places no limit on the amount that may be invested in any one issuer; however, approximately 96% of the investments are with mutual funds and approximately 4% are invested in money market funds.

Foreign Currency Risk – This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The Plan's exposure to foreign currency risk derives from its investment in Underlying Funds with international holdings. The Plan had no investments denominated in foreign currency at September 30, 2017.

Note 4: Fees and Expenses

Annual Account Fee

Prior to the year ended September 30, 2017, an annual account fee of $12 was assessed on accounts when neither the account owner nor the designated beneficiary was an Alabama resident. The fees were deducted annually from the respective accounts in November. Effective for the year ended September 30, 2017, the annual account fee is no longer assessed.

Asset-Based Fees

The Portfolios are assessed a program management fee of 0.25%, which is accrued daily and paid to the Program Manager for providing administrative and management services. In its sole discretion, the Program Manager may waive a portion of the program management fees. Asset-based fees related to the year ended September 30, 2017, or the program management fee, totaled $912,592.

Underlying Fund Expenses

Fees related to the management of each of the Underlying Funds are paid directly to the related fund manager or advisor and reduce the amount of income available for distribution to Portfolios. These expenses are not reflected in the Plan's financial statements. The expense ratio of the Underlying Funds, which are the ratios of the total operating expenses of the Underlying Funds as a percentage of their average daily net position, vary over time and ranged from 0.05% to 0.08% for the Age-Based, 0.05% to 0.08% for the Target Portfolios and 0.02% to 0.64% for the Individual Fund Portfolios for the year ended September 30, 2017.

Note 5: Related Party Investments

A related entity of the State of Alabama has investment accounts in the Plan totaling approximately 3% of fiduciary net position held in trust at September 30, 2017.

Note 6: Disclosures About Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Note 6: Disclosures About Fair Value of Assets - Continued

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2017:

		Fair Value Measurements Using		
	Fair Value	Quoted prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Equity securities				
Money market mutual funds	$ 15,657,931	$ 15,657,931	$ -	$ -
Mutual funds	389,937,161	389,937,161	-	-
Total investments measured at fair value	$ 405,595,092			

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. There were no Level 2 or Level 3 securities at September 30, 2017.

Note 7: Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the account owners' account balances and the amounts reported in the statements of net position available for benefits.

The financial statements have been prepared using values and information currently available to the Plan. Given the potential volatility of economic conditions, the values of assets recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values that could negatively impact the Plan.

Note 8: Subsequent Events

Subsequent events have been evaluated through February 6, 2018, which is the date the financial statements were available to be issued.

Supplemental Schedules

CollegeCounts 529 Fund

Schedule of Fiduciary Net Position by Portfolio

September 30, 2017

	Portfolio DFA U.S. Large Cap Value 529 Portfolio	DFA U.S. Small Cap Value 529 Portfolio	Dodge & Cox International Stock 529 Portfolio	Fidelity Advisor Investment Grade Bond 529 Portfolio	MainStay Total Return Bond 529 Portfolio	PIMCO Short-Term 529 Portfolio	T. Rowe Price Balanced 529 Portfolio
Fiduciary Assets							
Investments, at fair value	$ 873,200	$ 855,500	$ 1,594,890	$ 212,986	$ 154,499	$ 1,404,135	$ 4,576,567
Cash	1,901	3,978	5,379	20	1	13	4,454
Receivables for contributions	461	24	364	50	-	145	12,634
Accrued investment income	-	-	-	360	324	1,957	-
Total fiduciary assets	875,562	859,502	1,600,633	213,416	154,824	1,406,250	4,593,655
Liabilities							
Distributions payable to shareholders	-	-	-	-	-	-	-
Withdrawals payable	-	5,122	-	-	-	-	11,538
Accrued expenses	174	162	323	44	28	288	936
Total liabilities	174	5,284	323	44	28	288	12,474
Fiduciary Net Position Held in Trust	$ 875,388	$ 854,218	$ 1,600,310	$ 213,372	$ 154,796	$ 1,405,962	$ 4,581,181
Unit Information							
Units outstanding	68,242	67,946	148,199	19,206	14,373	126,954	242,273
Net position value per unit, ending	$ 12.83	$ 12.57	$ 10.80	$ 11.11	$ 10.77	$ 11.07	$ 18.91
Net position value per unit, beginning	$ 10.71	$ 10.57	$ 8.56	$ 11.04	$ 10.61	$ 10.81	$ 16.63

CollegeCounts 529 Fund
Schedule of Fiduciary Net Position by Portfolio
September 30, 2017

	Portfolio						
	T. Rowe Price Large-Cap Growth 529 Portfolio	Vanguard Explorer 529 Portfolio	Vanguard 500 Index 529 Portfolio	Vanguard Extended Market Index 529 Portfolio	Vanguard Growth Index 529 Portfolio	Vanguard Inflation-Protected Securities 529 Portfolio	Vanguard Intermediate-Term Bond Index 529 Portfolio
Fiduciary Assets							
Investments, at fair value	$ 2,938,916	$ 489,492	$ 18,060,503	$ 1,422,013	$ 7,605,170	$ 1,213,057	$ 1,335,117
Cash	5,992	4,019	22,911	-	-	668	798
Receivables for contributions	422	295	33,200	72	2,886	34	8
Accrued investment income	-	-	-	-	-	-	2,888
Total fiduciary assets	2,945,330	493,806	18,116,614	1,422,085	7,608,056	1,213,759	1,338,811
Liabilities							
Distributions payable to shareholders	-	-	-	-	-	-	-
Withdrawals payable	-	-	-	-	-	-	-
Accrued expenses	597	98	3,806	337	2,783	250	277
Total liabilities	597	98	3,806	337	2,783	250	277
Fiduciary Net Position Held in Trust	$ 2,944,733	$ 493,708	$ 18,112,808	$ 1,421,748	$ 7,605,273	$ 1,213,509	$ 1,338,534
Unit Information							
Units outstanding	193,399	37,849	711,194	56,932	283,696	100,817	102,959
Net position value per unit, ending	$ 15.23	$ 13.04	$ 25.47	$ 24.97	$ 26.81	$ 12.04	$ 13.00
Net position value per unit, beginning	$ 11.68	$ 10.99	$ 21.54	$ 21.03	$ 22.44	$ 12.19	$ 13.10

CollegeCounts 529 Fund

Schedule of Fiduciary Net Position by Portfolio

September 30, 2017

	Portfolio						
	Vanguard Mid-Cap Index 529 Portfolio	Vanguard Prime Money Market 529 Portfolio	Vanguard REIT Index 529 Portfolio	Vanguard Small-Cap Growth Index 529 Portfolio	Vanguard Small-Cap Index 529 Portfolio	Vanguard Small-Cap Value Index 529 Portfolio	Vanguard Total Bond Market Index 529 Portfolio
Fiduciary Assets							
Investments, at fair value	$ 6,956,853	$ 8,276,485	$ 3,523,266	$ 4,038,697	$ 2,617,278	$ 3,337,445	$ 8,307,089
Cash	4,645	-	1,404	4,148	-	-	17,470
Receivables for contributions	468	718	166	2,378	12,387	223	347
Accrued investment income	-	7,770	-	-	-	-	17,303
Total fiduciary assets	6,961,966	8,284,973	3,524,836	4,045,223	2,629,665	3,337,668	8,342,209
Liabilities							
Distributions payable to shareholders	-	1,659	-	-	-	-	-
Withdrawals payable	-	533	-	-	12,224	-	350
Accrued expenses	1,437	1,596	732	810	33,979	8,504	1,718
Total liabilities	1,437	3,788	732	810	46,203	8,504	2,068
Fiduciary Net Position Held in Trust	$ 6,960,529	$ 8,281,185	$ 3,524,104	$ 4,044,413	$ 2,583,462	$ 3,329,164	$ 8,340,141
Unit Information							
Units outstanding	281,767	8,281,138	171,487	163,711	103,984	135,040	684,407
Net position value per unit, ending	$ 24.70	$ 1.00	$ 20.55	$ 24.70	$ 24.84	$ 24.65	$ 12.19
Net position value per unit, beginning	$ 21.48	$ 1.00	$ 20.51	$ 21.19	$ 21.23	$ 21.04	$ 12.23

CollegeCounts 529 Fund

Schedule of Fiduciary Net Position by Portfolio

September 30, 2017

	Portfolio					
	Vanguard Total International Stock Index 529 Portfolio	Vanguard Total Stock Market Index 529 Portfolio	Vanguard Value Index 529 Portfolio	Vanguard Short-Term Inflation-Protected 529 Portfolio	Vanguard Short-Term Bond Index 529 Portfolio	CollegeCounts Fixed Income Fund
Fiduciary Assets						
Investments, at fair value	$ 8,333,686	$ 11,001,106	$ 4,250,291	$ 305,552	$ 1,555,020	$ 4,243,604
Cash	3,564	1,806	12,124	-	1,234	-
Receivables for contributions	515	1,121	16,865	5	-	525
Accrued investment income	-	-	-	-	2,161	4,553
Total fiduciary assets	8,337,765	11,004,033	4,279,280	305,557	1,558,415	4,248,682
Liabilities						
Distributions payable to shareholders	-	-	-	-	-	-
Withdrawals payable	-	-	16,552	-	250	700
Accrued expenses	1,548	2,236	853	10,102	317	2,174
Total liabilities	1,548	2,236	17,405	10,102	567	2,874
Fiduciary Net Position Held in Trust	$ 8,336,217	$ 11,001,797	$ 4,261,875	$ 295,455	$ 1,557,848	$ 4,245,808
Unit Information						
Units outstanding	561,507	431,206	176,041	29,306	148,989	394,225
Net position value per unit, ending	$ 14.85	$ 25.51	$ 24.21	$ 10.08	$ 10.46	$ 10.77
Net position value per unit, beginning	$ 12.47	$ 21.56	$ 20.62	$ 10.06	$ 10.44	$ 10.73

CollegeCounts 529 Fund

Schedule of Fiduciary Net Position by Portfolio

September 30, 2017

	Portfolio					
	CollegeCounts Fund 10	CollegeCounts Fund 20	CollegeCounts Fund 30	CollegeCounts Fund 40	CollegeCounts Fund 50	CollegeCounts Fund 60
Fiduciary Assets						
Investments, at fair value	$ 13,442,472	$ 24,066,590	$ 27,773,814	$ 33,036,901	$ 32,812,307	$ 34,365,409
Cash	-	51,435	213,867	-	-	35,071
Receivables for contributions	22,550	80,023	40,167	3,191	94,485	54,877
Accrued investment income	15,132	27,908	28,738	31,192	28,497	23,697
Total fiduciary assets	13,480,154	24,225,956	28,056,586	33,071,284	32,935,289	34,479,054
Liabilities						
Distributions payable to shareholders	-	-	-	-	-	-
Withdrawals payable	3,666	30,197	79,852	26,333	238	190,010
Accrued expenses	15,579	4,939	5,723	257,318	21,086	7,120
Total liabilities	19,245	35,136	85,575	283,651	21,324	197,130
Fiduciary Net Position Held in Trust	$ 13,460,909	$ 24,190,820	$ 27,971,011	$ 32,787,633	$ 32,913,965	$ 34,281,924
Unit Information						
Units outstanding	1,324,691	1,810,340	2,675,633	2,116,105	3,046,312	1,989,868
Net position value per unit, ending	$ 10.16	$ 13.36	$ 10.45	$ 15.49	$ 10.80	$ 17.23
Net position value per unit, beginning	$ 9.99	$ 12.97	$ 9.98	$ 14.54	$ 9.97	$ 15.67

CollegeCounts 529 Fund

Schedule of Fiduciary Net Position by Portfolio

September 30, 2017

	Portfolio				
	CollegeCounts Fund 70	CollegeCounts Fund 80	CollegeCounts Fund 90	CollegeCounts Fund 100	Plan Total
Fiduciary Assets					
Investments, at fair value	$ 32,397,903	$ 46,244,938	$ 21,230,300	$ 30,742,041	$ 405,595,092
Cash	-	7,633	-	15,392	419,927
Receivables for contributions	211,718	22,297	31,022	51,853	698,496
Accrued investment income	16,015	14,821	3,202	-	226,518
Total fiduciary assets	32,625,636	46,289,689	21,264,524	30,809,286	406,940,033
Liabilities					
Distributions payable to shareholders	-	-	-	-	1,659
Withdrawals payable	155,424	191,850	5,945	45,995	776,779
Accrued expenses	22,216	9,400	19,691	6,258	445,439
Total liabilities	177,640	201,250	25,636	52,253	1,223,877
Fiduciary Net Position Held in Trust	$ 32,447,996	$ 46,088,439	$ 21,238,888	$ 30,757,033	$ 405,716,156
Unit Information					
Units outstanding	2,921,539	2,389,939	1,846,006	1,442,967	
Net position value per unit, ending	$ 11.11	$ 19.28	$ 11.51	$ 21.32	
Net position value per unit, beginning	$ 9.96	$ 16.95	$ 9.96	$ 18.19	

CollegeCounts 529 Fund

Schedule of Changes in Fiduciary Net Position and Financial Highlights by Portfolio

For the Year Ended September 30, 2017

				Portfolio			
	DFA U.S. Large Cap Value 529 Portfolio	DFA U.S. Small Cap Value 529 Portfolio	Dodge & Cox International Stock 529 Portfolio	Fidelity Advisor Investment Grade Bond 529 Portfolio	MainStay Total Return Bond 529 Portfolio	PIMCO Short-Term 529 Portfolio	T. Rowe Price Balanced 529 Portfolio
Additions							
Contributions	$ 315,493	$ 492,614	$ 436,652	$ 71,022	$ 36,662	$ 147,366	$ 872,675
Exchanges in	243,619	438,765	285,601	61,532	70,497	230,756	268,080
Investment Income							
Dividends and interest	28,496	30,093	30,110	4,145	2,899	20,902	140,930
Total additions	587,608	961,472	752,363	136,699	110,058	399,024	1,281,685
Deductions							
Withdrawals	25,482	239,031	44,871	40,416	20,042	117,993	556,179
Exchanges out	212,752	394,496	187,177	26,888	19,764	32,243	448,693
Management fees	1,867	2,001	3,053	512	260	3,094	10,468
Total deductions	240,101	635,528	235,101	67,816	40,066	153,330	1,015,340
Net Realized Gain (Loss) and Net Appreciation (Depreciation) in Fair Value	95,099	71,410	259,086	(104)	(609)	12,525	414,821
Net Increase (Decrease)	442,606	397,354	776,348	68,779	69,383	258,219	681,166
Fiduciary Net Position, Beginning of Year	432,782	456,864	823,962	144,593	85,413	1,147,743	3,900,015
Fiduciary Net Position, End of Year	$ 875,388	$ 854,218	$ 1,600,310	$ 213,372	$ 154,796	$ 1,405,962	$ 4,581,181
Financial Highlights For the Year							
Ratio of net investment income to average net position*	3.56%	3.50%	2.21%	1.77%	2.54%	1.44%	3.11%
Ratio of expense to average net position **	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Total return ***	19.79%	18.92%	26.17%	0.63%	1.51%	2.41%	13.71%

* This ratio represents investment income recognized by the Plan from the underlying investments, less expenses, divided by the average net position.

** This ratio represents the Plan’s expenses divided by average net position.

*** Total return is calculated for account owners taken as a whole. An individual account owner's return may vary based on the timing of investment transactions.

CollegeCounts 529 Fund

Schedule of Changes in Fiduciary Net Position and Financial Highlights by Portfolio

For the Year Ended September 30, 2017

	Portfolio						
	T. Rowe Price Large-Cap Growth 529 Portfolio	Vanguard Explorer 529 Portfolio	Vanguard 500 Index 529 Portfolio	Vanguard Extended Market Index 529 Portfolio	Vanguard Growth Index 529 Portfolio	Vanguard Inflation-Protected Securities 529 Portfolio	Vanguard Intermediate-Term Bond Index 529 Portfolio
Additions							
Contributions	$ 588,555	$ 186,751	$ 3,043,007	$ 218,653	$ 1,071,882	$ 184,177	$ 250,631
Exchanges in	853,199	143,295	2,261,126	255,991	963,195	256,901	347,495
Investment Income							
Dividends and interest	21,867	11,685	391,299	18,984	88,521	51,367	39,131
Total additions	1,463,621	341,731	5,695,432	493,628	2,123,598	492,445	637,257
Deductions							
Withdrawals	254,683	90,325	703,520	100,660	315,948	161,803	177,855
Exchanges out	306,442	31,078	2,227,804	278,732	880,969	195,381	368,112
Management fees	5,129	889	41,350	3,416	16,036	3,032	3,251
Total deductions	566,254	122,292	2,972,674	382,808	1,212,953	360,216	549,218
Net Realized Gain (Loss) and Net Appreciation (Depreciation) in Fair Value	530,598	52,605	2,406,162	217,185	1,088,880	(60,618)	(49,923)
Net Increase (Decrease)	1,427,965	272,044	5,128,920	328,005	1,999,525	71,611	38,116
Fiduciary Net Position, Beginning of Year	1,516,768	221,664	12,983,888	1,093,743	5,605,748	1,141,898	1,300,418
Fiduciary Net Position, End of Year	$ 2,944,733	$ 493,708	$ 18,112,808	$ 1,421,748	$ 7,605,273	$ 1,213,509	$ 1,338,534
Financial Highlights For the Year							
Ratio of net investment income to average net position*	0.81%	3.03%	2.11%	1.14%	1.13%	3.98%	2.76%
Ratio of expense to average net position **	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Total return ***	30.39%	18.65%	18.25%	18.74%	19.47%	-1.23%	-0.76%

* This ratio represents investment income recognized by the Plan from the underlying investments, less expenses, divided by the average net position.

** This ratio represents the Plan’s expenses divided by average net position.

*** Total return is calculated for account owners taken as a whole. An individual account owner's return may vary based on the timing of investment transactions.

CollegeCounts 529 Fund

Schedule of Changes in Fiduciary Net Position and Financial Highlights by Portfolio

For the Year Ended September 30, 2017

	Portfolio						
	Vanguard Mid-Cap Index 529 Portfolio	Vanguard Prime Money Market 529 Portfolio	Vanguard REIT Index 529 Portfolio	Vanguard Small-Cap Growth Index 529 Portfolio	Vanguard Small-Cap Index 529 Portfolio	Vanguard Small-Cap Value Index 529 Portfolio	Vanguard Total Bond Market Index 529 Portfolio
Additions							
Contributions	$ 823,311	$ 2,218,317	$ 712,480	$ 614,761	$ 465,032	$ 513,808	$ 734,795
Exchanges in	649,253	2,552,193	286,909	313,923	211,118	569,829	608,328
Investment Income							
Dividends and interest	98,452	72,652	173,516	34,988	35,823	59,924	207,427
Total additions	1,571,016	4,843,162	1,172,905	963,672	711,973	1,143,561	1,550,550
Deductions							
Withdrawals	285,013	2,708,021	224,901	209,827	163,002	233,110	977,195
Exchanges out	713,915	2,106,322	1,029,469	407,320	235,525	629,206	454,944
Management fees	16,110	15,829	9,073	9,052	5,972	7,851	20,447
Total deductions	1,015,038	4,830,172	1,263,443	626,199	404,499	870,167	1,452,586
Net Realized Gain (Loss) and Net Appreciation (Depreciation) in Fair Value	819,134	-	(163,421)	537,024	335,108	414,660	(224,930)
Net Increase (Decrease)	1,375,112	12,990	(253,959)	874,497	642,582	688,054	(126,966)
Fiduciary Net Position, Beginning of Year	5,585,417	8,268,195	3,778,063	3,169,916	1,940,880	2,641,110	8,467,107
Fiduciary Net Position, End of Year	$ 6,960,529	$ 8,281,185	$ 3,524,104	$ 4,044,413	$ 2,583,462	$ 3,329,164	$ 8,340,141
Financial Highlights For the Year							
Ratio of net investment income to average net position*	1.28%	0.73%	4.53%	0.72%	1.25%	1.66%	2.29%
Ratio of expense to average net position **	0.25%	0.20%	0.25%	0.25%	0.25%	0.25%	0.25%
Total return ***	14.99%	0.72%	0.20%	16.56%	17.00%	17.16%	-0.33%

* This ratio represents investment income recognized by the Plan from the underlying investments, less expenses, divided by the average net position.
** This ratio represents the Plan’s expenses divided by average net position.
*** Total return is calculated for account owners taken as a whole. An individual account owner's return may vary based on the timing of investment transactions.

CollegeCounts 529 Fund

Schedule of Changes in Fiduciary Net Position and Financial Highlights by Portfolio

For the Year Ended September 30, 2017

	Portfolio					
	Vanguard Total International Stock Index 529 Portfolio	Vanguard Total Stock Market Index 529 Portfolio	Vanguard Value Index 529 Portfolio	Vanguard Short-Term Inflation-Protected 529 Portfolio	Vanguard Short-Term Bond Index 529 Portfolio	CollegeCounts Fixed Income Fund
Additions						
Contributions	$ 977,351	$ 1,983,828	$ 618,731	$ 64,545	$ 217,855	$ 1,241,845
Exchanges in	1,751,176	909,503	332,782	60,475	536,612	1,521,915
Investment Income						
Dividends and interest	176,760	197,749	104,458	2,330	22,641	57,624
Total additions	2,905,287	3,091,080	1,055,971	127,350	777,108	2,821,384
Deductions						
Withdrawals	268,076	464,901	199,015	32,589	189,537	2,101,263
Exchanges out	703,878	1,400,958	530,897	47,627	242,345	535,191
Management fees	15,461	24,629	9,919	718	3,466	11,139
Total deductions	987,415	1,890,488	739,831	80,934	435,348	2,647,593
Net Realized Gain (Loss) and Net Appreciation (Depreciation) in Fair Value	946,124	1,470,221	521,650	(994)	(16,152)	(30,492)
Net Increase (Decrease)	2,863,996	2,670,813	837,790	45,422	325,608	143,299
Fiduciary Net Position, Beginning of Year	5,472,221	8,330,984	3,424,085	250,033	1,232,240	4,102,509
Fiduciary Net Position, End of Year	$ 8,336,217	$ 11,001,797	$ 4,261,875	$ 295,455	$ 1,557,848	$ 4,245,808
Financial Highlights For the Year						
Ratio of net investment income to average net position*	2.60%	1.76%	2.38%	0.56%	1.38%	1.04%
Ratio of expense to average net position **	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Total return ***	19.09%	18.32%	17.41%	0.20%	0.19%	0.37%

* This ratio represents investment income recognized by the Plan from the underlying investments, less expenses, divided by the average net position.

** This ratio represents the Plan's expenses divided by average net position.

*** Total return is calculated for account owners taken as a whole. An individual account owner's return may vary based on the timing of investment transactions.

CollegeCounts 529 Fund

Schedule of Changes in Fiduciary Net Position and Financial Highlights by Portfolio

For the Year Ended September 30, 2017

	Portfolio					
	CollegeCounts Fund 10	CollegeCounts Fund 20	CollegeCounts Fund 30	CollegeCounts Fund 40	CollegeCounts Fund 50	CollegeCounts Fund 60
Additions						
Contributions	$ 2,642,452	$ 3,562,096	$ 4,519,157	$ 5,187,257	$ 4,618,389	$ 5,307,897
Exchanges in	6,776,323	12,553,555	13,492,191	14,234,414	16,038,543	13,972,986
Investment Income						
Dividends and interest	200,468	432,198	532,990	647,330	669,613	764,215
Total additions	9,619,243	16,547,849	18,544,338	20,069,001	21,326,545	20,045,098
Deductions						
Withdrawals	5,137,123	4,802,938	1,737,733	1,031,552	394,131	1,254,359
Exchanges out	1,902,695	7,027,431	12,462,647	13,768,354	14,187,311	17,205,128
Management fees	29,221	54,565	63,582	73,159	72,298	81,262
Total deductions	7,069,039	11,884,934	14,263,962	14,873,065	14,653,740	18,540,749
Net Realized Gain (Loss) and Net Appreciation (Depreciation) in Fair Value	35,399	315,834	765,850	1,344,025	1,829,540	2,443,683
Net Increase (Decrease)	2,585,603	4,978,749	5,046,226	6,539,961	8,502,345	3,948,032
Fiduciary Net Position, Beginning of Year	10,875,306	19,212,071	22,924,785	26,247,672	24,411,620	30,333,892
Fiduciary Net Position, End of Year	$ 13,460,909	$ 24,190,820	$ 27,971,011	$ 32,787,633	$ 32,913,965	$ 34,281,924
Financial Highlights For the Year						
Ratio of net investment income to average net position*	1.46%	1.73%	1.84%	1.96%	2.06%	2.10%
Ratio of expense to average net position **	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Total return ***	1.70%	3.01%	4.71%	6.53%	8.32%	9.96%

* This ratio represents investment income recognized by the Plan from the underlying investments, less expenses, divided by the average net position.

** This ratio represents the Plan's expenses divided by average net position.

*** Total return is calculated for account owners taken as a whole. An individual account owner's return may vary based on the timing of investment transactions.

CollegeCounts 529 Fund

Schedule of Changes in Fiduciary Net Position and Financial Highlights by Portfolio

For the Year Ended September 30, 2017

	Portfolio					
	CollegeCounts Fund 70	CollegeCounts Fund 80	CollegeCounts Fund 90	CollegeCounts Fund 100	Eliminations	Plan Total
Additions						
Contributions	$ 4,998,197	$ 7,890,150	$ 6,243,493	$ 6,685,609	$ -	$ 70,757,496
Exchanges in	12,467,543	9,810,972	4,597,502	866,551	(121,794,648)	-
Investment Income						
Dividends and interest	696,183	995,565	465,658	700,902	-	8,229,895
Total additions	18,161,923	18,696,687	11,306,653	8,253,062	(121,794,648)	78,987,391
Deductions						
Withdrawals	1,037,540	1,053,718	406,248	1,382,764	-	29,143,364
Exchanges out	14,000,619	12,805,384	8,929,002	4,857,949	(121,794,648)	-
Management fees	71,750	104,729	48,219	69,783	-	912,592
Total deductions	15,109,909	13,963,831	9,383,469	6,310,496	(121,794,648)	30,055,956
Net Realized Gain (Loss) and Net Appreciation (Depreciation) in Fair Value	2,535,270	4,645,930	2,419,683	3,856,048	-	29,836,311
Net Increase (Decrease)	5,587,284	9,378,786	4,342,867	5,798,614	-	78,767,746
Fiduciary Net Position, Beginning of Year	26,860,712	36,709,653	16,896,021	24,958,419	-	326,948,410
Fiduciary Net Position, End of Year	$ 32,447,996	$ 46,088,439	$ 21,238,888	$ 30,757,033	$ -	$ 405,716,156
Financial Highlights For the Year						
Ratio of net investment income to average net position*	2.17%	2.13%	2.16%	2.26%		
Ratio of expense to average net position **	0.25%	0.25%	0.25%	0.25%		
Total return ***	11.55%	13.75%	15.56%	17.21%		

* This ratio represents investment income recognized by the Plan from the underlying investments, less expenses, divided by the average net position.

** This ratio represents the Plan’s expenses divided by average net position.

*** Total return is calculated for account owners taken as a whole. An individual account owner's return may vary based on the timing of investment transactions.

CollegeCounts 529 Fund

Schedule of Investments (Age-Based Target Portfolios)

September 30, 2017

Target Portfolios	Age of Beneficiary	CollegeCounts Fixed Income Fund	CollegeCounts Fund 10	CollegeCounts Fund 20	CollegeCounts Fund 30	CollegeCounts Fund 40	CollegeCounts Fund 50
		Portfolios					
Age-Based Aggressive Portfolios				*19 and over*	*17 - 18*	*15 - 16*	*13 - 14*
Age-Based Moderate Portfolios			*19 and over*	*17 - 18*	*15 - 16*	*13 - 14*	*11 - 12*
Age-Based Conservative Portfolios		*19 and over*	*17 - 18*	*15 - 16*	*13 - 14*	*11 - 12*	*9 - 10*
Vanguard Prime Money Market Fund		$ 2,122,232	$ 3,089,579	$ 2,169,635	$ -	$ -	$ -
Money Market Total		2,122,232	3,089,579	2,169,635	-	-	-
Vanguard Short-Term Bond Index		849,627	2,958,724	6,010,314	6,102,107	4,611,908	3,600,004
Vanguard Total Bond Market Index Fund		635,177	4,157,694	8,406,717	9,698,736	12,183,709	11,443,059
Vanguard Short-Term Inflation-Protected Securities Fund		636,568	1,881,581	2,641,232	3,601,556	2,959,826	1,307,770
Fixed Income Total		2,121,372	8,997,999	17,058,263	19,402,399	19,755,443	16,350,833
Vanguard REIT Index Fund		-	134,700	726,989	837,567	993,336	987,819
Real Estate Total		-	134,700	726,989	837,567	993,336	987,819
Vanguard Total Stock Market Index Fund		-	948,838	3,142,549	5,297,000	8,304,102	10,525,514
Domestic Equity Total		-	948,838	3,142,549	5,297,000	8,304,102	10,525,514
Vanguard Total International Stock Index Fund		-	271,356	969,154	2,236,848	3,984,020	4,948,141
International Equity Total		-	271,356	969,154	2,236,848	3,984,020	4,948,141
Fair Value of Investments, End of Year		$ 4,243,604	$ 13,442,472	$ 24,066,590	$ 27,773,814	$ 33,036,901	$ 32,812,307
Fair Value of Investments, End of Year		$ 4,243,604	$ 13,442,472	$ 24,066,590	$ 27,773,814	$ 33,036,901	$ 32,812,307
Plus Cash and Accrued Investment Income		5,078	37,682	159,366	282,772	34,383	122,982
Less Payables and Accrued Expenses		(2,874)	(19,245)	(35,136)	(85,575)	(283,651)	(21,324)
Fiduciary Net Position Held in Trust, End of Year		$ 4,245,808	$ 13,460,909	$ 24,190,820	$ 27,971,011	$ 32,787,633	$ 32,913,965

CollegeCounts 529 Fund

Schedule of Investments (Age-Based Target Portfolios)

September 30, 2017

	Portfolios				
Target Portfolios	**CollegeCounts Fund 60**	**CollegeCounts Fund 70**	**CollegeCounts Fund 80**	**CollegeCounts Fund 90**	**CollegeCounts Fund 100**
Age-Based Aggressive Portfolios	*11 - 12*	*9 - 10*	*6 - 8*	*3 - 5*	*newborn to 2*
Age-Based Moderate Portfolios	*9 - 10*	*6 - 8*	*3 - 5*	*newborn to 2*	
Age-Based Conservative Portfolios	*6 - 8*	*3 - 5*	*newborn to 2*		
Vanguard Prime Money Market Fund	$ -	$ -	$ -	$ -	$ -
Money Market Total	-	-	-	-	-
Vanguard Short-Term Bond Index	3,081,671	1,932,965	1,839,196	422,286	-
Vanguard Total Bond Market Index Fund	9,212,663	6,423,440	5,946,546	1,259,982	-
Vanguard Short-Term Inflation-Protected Securities Fund	1,370,673	1,287,565	1,379,349	422,010	-
Fixed Income Total	13,665,007	9,643,970	9,165,091	2,104,278	-
Vanguard REIT Index Fund	1,714,234	2,259,735	2,301,706	1,265,239	2,447,917
Real Estate Total	1,714,234	2,259,735	2,301,706	1,265,239	2,447,917
Vanguard Total Stock Market Index Fund	12,447,249	13,037,934	22,741,579	11,488,447	17,266,438
Domestic Equity Total	12,447,249	13,037,934	22,741,579	11,488,447	17,266,438
Vanguard Total International Stock Index Fund	6,538,919	7,456,264	12,036,562	6,372,336	11,027,686
International Equity Total	6,538,919	7,456,264	12,036,562	6,372,336	11,027,686
Fair Value of Investments, End of Year	$ 34,365,409	$ 32,397,903	$ 46,244,938	$ 21,230,300	$ 30,742,041
Fair Value of Investments, End of Year	$ 34,365,409	$ 32,397,903	$ 46,244,938	$ 21,230,300	$ 30,742,041
Plus Cash and Accrued Investment Income	113,645	227,733	44,751	34,224	67,245
Less Payables and Accrued Expenses	(197,130)	(177,640)	(201,250)	(25,636)	(52,253)
Fiduciary Net Position Held in Trust, End of Year	$ 34,281,924	$ 32,447,996	$ 46,088,439	$ 21,238,888	$ 30,757,033

CollegeCounts 529 Fund

Combining Schedule of Fiduciary Net Position

September 30, 2017

	CollegeCounts 529 Fund	CollegeCounts 529 Fund Advisor Plan	Eliminations	Combined Totals
Fiduciary Assets				
Investments, at fair value	$ 405,595,092	$ 1,171,940,015	$ -	$ 1,577,535,107
Cash	419,927	266,105	-	686,032
Receivables for contributions	698,496	1,891,781	-	2,590,277
Accrued investment income	226,518	775,334	-	1,001,852
Total fiduciary assets	406,940,033	1,174,873,235	-	1,581,813,268
Liabilities				
Distributions payable to shareholders	1,659	2,247	-	3,906
Withdrawals payable	776,779	1,410,731	-	2,187,510
Accrued expenses	445,439	1,581,340	-	2,026,779
Total liabilities	1,223,877	2,994,318	-	4,218,195
Fiduciary Net Position Held in Trust	$ 405,716,156	$ 1,171,878,917	$ -	$ 1,577,595,073

CollegeCounts 529 Fund

Combining Schedule of Changes in Fiduciary Net Position

For the Year Ended September 30, 2017

	CollegeCounts 529 Fund	CollegeCounts 529 Fund Advisor Plan	Eliminations	Combined Totals
Additions				
Contributions	$ 70,757,496	$ 128,167,174	$ (31,058,411)	$ 167,866,259
Investment income				
Dividends and interest	8,229,895	36,851,252	-	45,081,147
Total additions	78,987,391	165,018,426	(31,058,411)	212,947,406
Deductions				
Withdrawals	29,143,364	121,559,323	(31,058,411)	119,644,276
Management fees	912,592	8,422,209	-	9,334,801
Total deductions	30,055,956	129,981,532	(31,058,411)	128,979,077
Net Realized Gain and Net Appreciation in Fair Value of Investments	29,836,311	82,629,044	-	112,465,355
Net Increase	78,767,746	117,665,938	-	196,433,684
Fiduciary Net Position Held in Trust, Beginning of Year	326,948,410	1,054,212,979	-	1,381,161,389
Fiduciary Net Position Held in Trust, End of Year	$ 405,716,156	$ 1,171,878,917	$ -	$ 1,577,595,073

BKD LLP
CPAs & Advisors

1248 "O" Street, Suite 1040 // Lincoln, NE 68508-1461
402.473.7600 // fax 402.473.7698 // bkd.com

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*

Members of the Board of Trustees of CollegeCounts 529 Fund
UBT 529 Fund Services, a Division of Union Bank & Trust Company (Program Manager)
Montgomery, Alabama

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the CollegeCounts 529 Fund (the Plan), which comprise the statement of fiduciary net position as of September 30, 2017, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 6, 2018.

Internal Control Over Financial Reporting

Management of the Plan is responsible for establishing and maintaining effective internal control over financial reporting (internal control). In planning and performing our audit, we considered the Plan's internal control to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Plan's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Lincoln, Nebraska
February 6, 2018

BKD LLP
CPAs & Advisors

1248 "O" Street, Suite 1040 // Lincoln, NE 68508-1461
402.473.7600 // fax 402.473.7698 // bkd.com

Independent Accountant's Report

Members of the Board of Trustees of CollegeCounts 529 Fund
UBT 529 Fund Services, a Division of Union Bank & Trust Company (Program Manager)
Montgomery, Alabama

We have examined CollegeCounts 529 Fund's (the Plan) compliance with the Program Management Fee during the year ended September 30, 2017, to determine whether it has been calculated in accordance with section 8(a) of the Program Management Agreement dated July 1, 2010 between Alabama College Education Savings Trust Fund and Program Manager. Management is responsible for calculating the Program Management Fee in accordance with the provisions of the agreement. Our responsibility is to express an opinion on the Plan's compliance with the Program Management Fee during the year ended September 30, 2017, based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Plan's compliance is in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the Plan's compliance. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Plan's compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Plan's Program Management Fee during the year ended September 30, 2017, has been calculated in accordance with section 8(a) of the Program Management Agreement dated July 1, 2010 between Alabama College Education Savings Trust Fund and the Program Manager, in all material respects.

This report is intended solely for the information and use of the Board of Trustees of the Alabama College Education Savings Trust Fund and the Program Manager of the Plan, and is not intended to be and should not be used by anyone other than the specified parties.

BKD, LLP

Lincoln, Nebraska
February 6, 2018